

## GENERAL CONDITIONS FOR THE SUPPLY OF CONSULTANCY AND OTHER SERVICES TO SANDOZ

June 2008 - hereinafter referred to as "General Conditions" -

### 1. SCOPE

1.1 These General Conditions apply to confirmed orders or other agreements ("**Agreement(s)**") regarding the provision of consultancy and other services (also including, e.g., software-related services) by a company or freelancer or other legal entity (the "**Service Provider**") to a company being part of the worldwide Sandoz group of companies ("**Sandoz**").

1.2 Service Provider's general terms and conditions shall not take effect even in case that Sandoz does not expressly object to their application.

### 2. PERFORMANCE OF THE SERVICES

2.1 Service Provider warrants that it shall provide the services specified in the Agreement (the "**Services**") in conformance with the Agreement and with that level of care and skill exercised by other professionals in similar circumstances. Service Provider shall provide the Services in a professional and timely manner and in compliance with all applicable laws and regulations. Service Provider warrants that (i) the measurable results to be generated by Service Provider in the performance of the Services ("**Deliverables**") shall meet all specifications and/or other requirements which may be set out in the Agreement, and that (ii) Sandoz' or its Affiliates' use of the Deliverables in accordance with the Agreement shall not infringe any third party rights.

2.2 If required under the applicable law Service Provider shall ensure that Service Provider and/or its personnel employed in performing the Services are in possession of a valid work permit. Compliance with all local rules and regulations governing employment, such as e.g. social security payments for Service Provider's personnel if applicable, shall be the responsibility of Service Provider.

2.3 Service Provider shall not be entitled to assign the Services or parts thereof to any subcontractors without Sandoz' prior written consent. Any provisions herein referring to Service Provider's "personnel" shall also apply with regard to any subcontractors authorized by Sandoz.

2.4 Service Provider shall use reasonable efforts to ensure the continuity of personnel deployed to perform the Services.

2.5 If a person deployed by Service Provider does, in Sandoz' reasonable opinion, not have the necessary qualification or skills for the provision of the Services then upon Sandoz' written request Service Provider shall – irrespective of any further rights that Sandoz may have as a result of such person's performance - (i) immediately stop deployment of such person and (ii) use best efforts to immediately replace such person by another person having the required qualification and skills.

2.6 Service Provider shall adhere and shall cause his personnel to adhere to Sandoz' internal safety and security policies including information security (ISEC) policies or directives which have been communicated to Service Provider. If for any reason, Service Provider is unable to adhere to any Sandoz ISEC policy or directive, Service Provider shall provide an ISEC exception request to the Sandoz Contact Person (see Sec. 4 below). Such exception may be granted to Service Provider only through the Sandoz Contact Person and at Sandoz' sole discretion.

2.7 Any deadlines referred to in the Agreement shall be binding unless expressly specified otherwise.

2.8 Service Provider shall promptly inform Sandoz about any unforeseen results, problems, difficulties etc. with regard to the Services.

2.9 Service Provider shall on a regular basis and in any case upon Sandoz' explicit request and upon expiry or termination of the Agreement make available to Sandoz an electronic version of all Deliverables in their various states (including without limitation any and all drafts).

2.10 Sandoz shall be entitled - solely for the purpose of verifying Service Provider's compliance with its contractual obligations - to enter Service Provider's premises and perform an audit during normal business hours and upon reasonable advance notice. Upon request Service Provider shall disclose all documents (including electronic documents) that Sandoz reasonably requires for the aforementioned purpose.

### 3. SANDOZ' OBLIGATIONS TO CO-OPERATE

Sandoz shall on an ongoing basis provide such information to Service Provider as is necessary for Service Provider to deliver the Services. Service Provider shall notify Sandoz in writing or by electronic mail of any further information requirements that it may have, and absent such a notification the information provided by Sandoz shall be deemed sufficient.

### 4. CONTACT PERSONS; INSTRUCTIONS

4.1 Sandoz and Service Provider – the latter only if it deploys personnel for the provision of the Services - shall designate a contact person in writing ("**Contact Person**").

4.2 Only Sandoz' contact person (the "**Sandoz Contact Person**") or a person determined by the Sandoz Contact Person shall be authorized to provide any information or instructions to Service Provider on behalf of Sandoz.

4.3 Sandoz shall communicate any requests regarding the performance of the Services only to Service Provider's Contact Person and shall not have the right to issue any instructions to any other personnel of Service Provider.

### 5. CHANGE REQUESTS

5.1 Sandoz may request changes to the Services in writing at any time during the term of the Agreement. Service Provider shall comply with such change requests unless this is unreasonable for Service Provider, in particular with respect to its operating resources, provided that the parties mutually agree on any other changes which reasonably result from the changes requested by Sandoz (in particular in relation to the required resources, deadlines and compensation).

5.2 Within a reasonable period of time from receipt of Sandoz' change request, Service Provider shall submit a written proposal regarding the requested changes to the Services, which presents the effects of such changes on the Agreement, if any (in particular in relation to the required resources, deadlines and compensation).

### 6. PRICES; INVOICING; PAYMENT TERMS

6.1 The pricing terms shall be set out in the Agreement.

6.2 Unless expressly specified otherwise in the Agreement Service Provider shall not be entitled to charge for travel time.

6.3 Unless expressly specified otherwise in the Agreement reimbursement for travel expenses shall be made (i) only for travel pre-approved by the Sandoz Contact Person in writing or by electronic email, (ii) in accordance with Sandoz' travel guidelines and (iii) subject to production of receipts or other evidence of payment. Any other expenses incurred by Service Provider shall be reimbursable only if and to the extent expressly provided for in the Agreement.

6.4 Unless otherwise determined in the Agreement, Service Provider shall issue invoices monthly for the preceding month to the address set out in the Agreement. Each invoice shall show one figure for the Services plus a separate figure for expenses incurred by Service Provider in connection with the Services since the last invoice. Receipts or other evidence of payment of the expenses must be sent to Sandoz together with the corresponding invoice. The invoice must contain: (i) Services Provider's name and address; (ii) a reference to the title and date of the Agreement; (iii) the Services to which the invoice relates and the period of time covered by the invoice (iv) the amount invoiced; (v) any information required pursuant to the applicable tax laws (such as the VAT number if applicable); (vi) the applicable VAT or other sales tax (if any) and (vii) Service Provider's account information.

6.5 Sandoz shall make payment of amounts properly invoiced in accordance with section 6.4 above to the bank account specified by Service Provider within 90 days upon receipt of the invoice.

## 7. RESULTS; INTELLECTUAL PROPERTY

7.1 For the purposes of this Section 7 "**Results**" shall mean all results (including without limitation any and all Deliverables and drafts), inventions, discoveries, ideas, designs, processes, designs, logos, marks or styles and know-how (whether protectable or not) resulting from the provision of the Services. Sandoz shall become the sole owner of the Results in their respective materialization as from the moment of their preparation or existence.

7.2 Service Provider hereby assigns, grants and conveys, and agrees to assign, grant and convey or to require its employees, representatives and subcontractors to assign, grant and convey, to Sandoz all Intellectual Property Rights in the Results. '**Intellectual Property Rights**' shall include without limitation all rights to and any interests in any patent, design, trade mark, copyright, know-how and any other proprietary right or form of intellectual property (whether protectable by registration or not).

7.3 Where the Results comprise any protectable inventions, discoveries, ideas, processes, designs, logos, marks or styles, only Sandoz shall be entitled to file any patent or other Intellectual Property Right applications or registrations. All Intellectual Property Rights arising from such applications or registrations shall be solely owned by Sandoz. Service Provider shall inform Sandoz of any invention or discovery made in connection with the performance of the Services. Furthermore Service Provider shall provide all assistance and execute or have executed all documents that may be necessary for Sandoz to obtain and secure Sandoz' Intellectual Property Rights in the Results.

7.4 Where a transfer of Intellectual Property Rights is not possible under the applicable law, Service Provider hereby assigns to Sandoz and Sandoz hereby accepts such assignment, the exclusive, worldwide, transferable and sub-

licensable right to use and change the Results in any manner known when the Agreement takes effect.

7.5 To the extent that any concepts, ideas, methodologies and procedures that Service Provider has created, acquired or otherwise has rights in independently of the Services ("**Service Provider Technology**") is contained in or constitutes all or any part of the Results, Sandoz is granted a royalty-free, fully paid-up, worldwide, non-exclusive license to use such Service Provider Technology in connection with the Results. Such right shall be sub-licensable to Sandoz' Affiliates. The term "**Affiliate**" shall include any corporation, company or similar entity which controls, is controlled by or under common control with Sandoz. For purposes of this definition, "control" means direct or indirect ownership of more than fifty percent (50%) of the outstanding voting shares or securities.

## 8. DATA PROTECTION; CONFIDENTIALITY, NO PUBLICATION

8.1 Service Provider shall ensure that Service Provider and/or its personnel shall observe the applicable statutory provisions regarding data protection.

8.2 Service Provider undertakes (i) not to disclose any data or information of Sandoz and/or its Affiliates that Service Provider obtains in connection with the performance of the Services or otherwise ("**Confidential Information**") to any third party other than personnel of Service Provider who (a) have a strict need to view such Confidential Information and (b) who are bound by written confidentiality obligations consistent with and no less restrictive than the requirements of this Section 8, and (ii) not to use such Confidential Information except for the performance of the Services and (iii) protect the confidentiality of such Confidential Information with the same degree of care, but no less than reasonable care, as Service Provider uses to protect its own confidential information of like nature. Service Provider shall be liable for any failure of its personnel to comply with the confidentiality obligations set out in this Section 8.

8.3 Service Provider's obligations set forth in Section 8.2 above shall not apply to any portion of Confidential Information which: (a) through no act or failure to act on the part of Service Provider, and through no violation of this provision, is now or hereafter becomes publicly known; (b) was rightfully known to or lawfully in the possession of Service Provider prior to disclosure; or (c) is hereafter rightfully furnished to Service Provider by a third party other than Sandoz Affiliates or contractors without restriction on disclosure. If Service Provider is required, pursuant to a legal proceeding or other legal or regulatory requirement, to disclose any Confidential Information against such disclosure, Service Provider shall timely notify Sandoz and cooperate with the efforts of Sandoz to contest the disclosure or to seek an appropriate protective order or other remedy to prevent the disclosure of Sandoz's Confidential Information, all to the extent legally admissible.

8.4 After expiry or termination of the Agreement, Service Provider shall return to Sandoz or, at Sandoz' option, shall destroy any documents, files and other data carriers supplied by Sandoz as well as all copies thereof, however, that Service Provider may retain one copy for the sole purpose of verifying compliance with Service Provider's obligations under the Agreement. Service Provider's confidentiality obligations accrued under the Agreement shall survive expiry or termination of the Agreement for a period of 10 years.

8.5 Service Provider shall not make any publication, lecture or other disclosure or dissemination (oral or written)

referring to the Services or their Results without the prior written approval of Sandoz.

## 9. LIABILITY; INSURANCE

9.1 Either party shall be liable to the other party for any loss or damage arising out of a breach of such party's contractual obligations as set out in the Agreement, unless such party can demonstrate that such breach is not a result of such party's or its personnel's negligence or wilful misconduct or failure to comply with any warranted characteristics.

9.2 Either party's liability for loss of earnings shall be excluded except in the event of gross negligence or wilful misconduct or bodily injury.

9.3 Service Provider warrants that it has appropriate and adequate insurance to cover claims or damages for which it shall be liable under the Agreement. Upon request of Sandoz, Service Provider shall provide reasonable evidence of its insurance.

## 10. TERM AND TERMINATION

10.1 The Agreement shall enter into force upon signature by both parties and shall terminate (i) upon performance of all Services by Service Provider and acceptance of all Results by Sandoz or (ii) any other date as may be specified in the Agreement, unless terminated early in accordance with the following provisions:

10.2 Sandoz may terminate the Agreement without cause at any time with 2 weeks prior written notice. Service Provider shall not be entitled to terminate the Agreement without material cause.

10.3 Without prejudice to any further statutory rights either party may terminate the Agreement in writing for material cause with immediate effect:

- if the other party commits a material breach of the Agreement and does not remedy such breach within thirty (30) days of notice from the other party so to do (if capable of remedy); or
- if the other party files a petition in bankruptcy/insolvency or has a receiver appointed over all or any part of its assets.

10.4 Service Provider shall be entitled to remuneration for Services performed until such termination comes into force. This shall not apply (i) if Sandoz terminates the Agreement for material breach and (ii) if and to the extent that such performance is of no interest to Sandoz (in which case Sandoz shall have to return to Service Provider the Results of such Services which are of no use to Sandoz, if any). The aforementioned shall be without prejudice to any claims for damages that Sandoz may have in the event of a termination for material breach.

10.5 Expiry or termination of the Agreement shall not affect any of the parties' rights or obligations accrued at the date of expiry or termination.

## 11. NOTICES

Any notice required or authorized to be served under the Agreement shall be deemed to have been properly served if delivered by hand, or sent by registered or certified mail, or sent by facsimile transmission, to the party to be served at the address specified by such party for that purpose, or, if no such address is specified, at the address given at the head of the Agreement. Notices sent by post shall be deemed to have been delivered within five days after the date of posting.

## 12. GOVERNING LAW; JURISDICTION

12.1 The Agreement shall be governed by and construed in accordance with the law in force in Germany without reference to its conflicts of law provisions. The application of the United Nations Convention on Agreements for the International Sale of Goods of April 11, 1980 shall be excluded.

12.2 Exclusive place of jurisdiction for all disputes between the parties arising from or in connection with the Agreement or its validity (including disputes relating to claims under the law of torts), for which there is no other exclusive place of jurisdiction, shall be Munich (*Landgericht München I*).

## 13. NO PUBLICITY

Service Provider shall not publicly announce or otherwise disclose that Sandoz has retained Service Provider for professional services without the prior written permission of Sandoz, except where such announcement or disclosure is required by law.

## 14. MISCELLANEOUS

14.1 The Agreement together with these General Conditions constitutes the entire understanding between the parties and supersedes all prior discussions, agreements and understandings of every nature between the parties with regard to the subject matter hereof. Amendments and additions to the Agreement including these General Terms (including this written form obligation) must be made in writing in order to take effect.

14.2 Service Provider's statutory retention right regarding any Results is hereby excluded.

14.3 Service Provider acknowledges that Sandoz gives preference to third parties who share the same societal and environmental values as Sandoz as set forth in the Novartis policy on Corporate Governance, Third Party Code of Conduct which can be accessed at the following website: <http://www.corporatecitizenship.novartis.com/managing-cc/governance/code-policies-guidelines.shtml>. Accordingly, Service Provider represents and warrants that this agreement will be performed in material compliance with all applicable laws and regulations, relating to health, safety, and environment, fair labour practices and unlawful discrimination.

14.4 Neither party shall be entitled to assign its rights or obligations under the Agreement to any third party without the prior written consent of the other party except that Sandoz shall be entitled to transfer the Agreement to any third party to which Sandoz transfers or substantially transfers its business.

14.5 Should any provision of the Agreement or these General Conditions be or become void, in whole or in part, or should a gap occur, this shall not affect the validity of the remaining provisions. The void provision or the gap shall be replaced or filled by an effective and enforceable provision - with retroactive effect - which legally and economically comes as close as possible to what the parties intended or would have intended in accordance with the meaning and purpose of the Agreement if they had considered this point upon conclusion of the Agreement.